



**Testimony of Sal Luciano
Executive Director, Council 4 AFSCME
Labor & Public Employees Committee Hearing
HB 6785: AAC Cooperative Health Care Arrangements**

Good afternoon, Senator Winfield, Representative Tercyak, and members of the Labor Committee. My name is Sal Luciano. I am the Executive Director of Council 4 AFSCME. Our union represents 32,000 public service workers.

I would like to thank this committee for looking at ways we can improve health outcomes, while reducing costs with HB 6785: An Act Concerning Cooperative Health Care Arrangements.

Every day staff representatives of my union work to find solutions to the rising cost of health insurance as that is biggest economic issue at the bargaining table. One area that we have identified significant savings is if we allowed non-state public employers to join the state employee health care pool.

In 2011, Governor Dannel Malloy, the legislature, and Comptroller Kevin Lembo established the Connecticut Partnership Plan. This program has allowed non-state public employers to take advantage of the state's health benefits plan design that invests in wellness and price stability. However, by individually pricing cities and towns that look to join the program based on their claims data, we are losing out on the benefit that could come with real health care pooling.

To give you a sense of the scope of the savings here: if the 316 members of AFSCME Local 466, employees of the City of Middletown, that participate in health insurance were able to buy state employee health care at-cost, it would save Middletown taxpayers over \$1.7 million. In New London, which has joined the state Partnership Plan, there are still savings to be found at the tune of 150,000. During this time of continuing fiscal challenges, and potentially flat-funding of municipalities, this proposal will help keep more of our tax dollars going to programs that our residents need, rather than to insurance companies and brokers that have a stranglehold on the health care business.

Rather than push to reduce insurance costs by reducing employee benefits, this proposal would take us in a different direction – reducing costs by increasing the size of the pool.

We hope that HB 6785 could be amended to allow for real pooling. To that end, we've developed a few principles that should be included in this bill:

- 1) Charge municipalities and other non-state public employers at-cost for state employee health care
- 2) Create one pool of state employees and non-state public employees to share risk
- 3) Voluntary- this is an option for both the employer and employee, not a requirement
- 4) Require an analysis before any group can buy into the plan to ensure no risk washing

Thank you again for this opportunity to testify. I would be happy to answer any questions.